



309 - SSDI – TEMPORARY MEDICAL COVERAGE RECONCILIATION POLICY

Effective Date: 10/01/08

Revision Date: 1/30/08

Staff responsible for policy: DHCM Finance

I. Purpose

This policy applies to all AHCCCS Acute Care Contractors (hereafter referred to as Contractors) contracted to provide medical services for the Social Security Disability Insurance - Temporary Medical Coverage (SSDI-TMC) population.

Due to the programmatic change that added this new eligibility category (effective 10/1/2006) and the uncertainty regarding actual utilization and medical cost experience of this population, AHCCCS intends to limit the financial risk to its Contractors. The policy defines the elements of the reconciliation.

AHCCCS will reimburse 100% of a Contractor's reasonable costs in excess of a 2% loss, as determined by reported encounter data and subcapitated expense reports for dates of service for the contract year being reconciled. AHCCCS will also recoup profit amounts in excess of a 2% profit.

II. Definitions

Prospective Capitation: Capitation payments for member months during a member's enrollment with a Contractor. Enrollment shall begin on the first day of the month following the eligibility determination. For an eligibility determination completed after the 25th day of the month, enrollment shall begin on the first day of the second month following eligibility determination. SSDI members do not have prior period eligibility coverage that spans retroactively.

Social Security Disability Insurance Temporary Medical coverage (SSDI-TMC): Member eligible under Laws 2006, Chapter 373 which established The Temporary Medical Coverage Program that provides health care coverage to persons who: 1) are citizens and residents who have been enrolled in AHCCCS at any time within the last 24 months, and 2) became ineligible for AHCCCS coverage due to federal disability insurance benefit payments making them over income for Medicaid, and 3) they are not yet eligible for Medicare. SSDI-TMC is funded entirely by the State of Arizona.

III. Policy

A. General



1. The reconciliation shall include all revenue and expenses associated with SSDI-TMC eligibility within the contract year. The amount of the reimbursement to be reconciled against will be net of the administrative component included in the capitation rate (see Attachment A for calculation).
2. The reconciliation will limit the Contractor's profits and losses to 2% of the Contractor's net SSDI-TMC capitation. Any losses in excess of 2% will be reimbursed to the Contractor, and likewise, profits in excess of 2% will be recouped.
3. All revenues and expenses used in the reconciliation will be based on the dates of service for the contract year being reconciled.

B. AHCCCS Responsibilities

1. No sooner than six months after the contract year to be reconciled, AHCCCS shall perform the initial reconciliation of actual medical cost experience to capitation:

Prospective Capitation - administration %

Less: Total medical expenses

Equals: Profit/Loss to be reconciled

(See Attachment A for calculation)

2. AHCCCS will utilize adjudicated encounters and subcapitated expenses reported by the Contractor to determine the medical expenses reported based on the **DATE OF SERVICE** for the contract year being reconciled. AHCCCS may incorporate completion factors in the initial reconciliation based on internal data available at the time of the reconciliation.
3. AHCCCS will compare adjudicated encounter and subcapitated expense information to financial statements for reasonableness. AHCCCS may perform an audit of self-reported subcapitated expenses included in the reconciliation.
4. AHCCCS will provide to the Contractor the data used for the initial reconciliation and provide a set time period for review and comment by the Contractor. Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted. AHCCCS may then process partial distributions/recoupments through a future monthly capitation payment.
5. A second and final reconciliation will be done no sooner than 12 months after the end of the contract year to be reconciled. This will allow for completion of the claims lag and encounter reporting. AHCCCS will provide to the Contractor the data used for the final reconciliation and provide a set time period for review and comment by the Contractor.



Upon completion of the review period, AHCCCS will evaluate Contractor comments and make any adjustments to the data or reconciliation as warranted.

6. Any amount over or underpaid as a result of the final reconciliation will be recouped or reimbursed with the next monthly capitation payment.

C. Contractor Responsibilities

1. Contractor shall maintain financial statements that separately identify the SSDI-TMC financial experience, and shall submit such statements as required by contract and in the format specified in the Reporting Guide.
2. Contractors shall ensure that all encounters are adjudicated and accepted by AHCCCS prior to 12 months after the contract year end.
3. Contractors shall submit data as requested by AHCCCS for reconciliation purposes. (e.g. encounter detail file)
4. Contractor shall report all subcapitated expenses in a format approved by AHCCCS.

IV. References

- Acute Care Contract YH09-0001, Section D.,

V. Note

* Administration percentage by contract year:

- CYE '09 – 9%

* Attachment A – Sample Reconciliation